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## **SUCCESSOR AGENCY to the REDEVELOPMENT AGENCY of the CITY of BURBANK**

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**DATE:** January 14, 2013

**TO:** OVERSIGHT BOARD

**FROM:** Ruth Davidson-Guerra, Assistant Community Development Director/  
Successor Agency Implementing Official



**SUBJECT: NON-HOUSING DUE DILIGENCE REVIEW**

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### **RECOMMENDATION**

As prescribed by Section 34179.5 of the Health and Safety Code, staff recommends that the Oversight Board (Board) consider the Due Diligence Review (DDR) for the Non-Housing Funds of the former Redevelopment Agency; and adopt the resolution accepting and approving the DDR.

### **BACKGROUND**

On February 1, 2012, all redevelopment agencies in California were dissolved in accordance with AB1X 26, which amended the Health and Safety Code by providing the wind-down process for redevelopment agencies. Later in June 2012, as part of the State's annual budget process, a trailer bill, AB 1484, was approved. This bill further amended several sections of the Health and Safety Code; and one such amendment is Section 34179.5, which describes the required DDR process.

The primary purpose of the DDR is to ascertain the amount of: cash and cash equivalents on hand; outstanding enforceable obligations; and the nature of any transfers of funds and/or property that were made after January 1, 2011. This process will ultimately provide the County and State with an accounting of assets that could be available for distribution to taxing entities.

As prescribed by law (described in Health and Safety Code, Section 34179), there are two components to the DDR: 1) a review of the Housing Fund<sup>1</sup>; and 2) a review of all other non-housing funds. Each component has a prescribed timeline, with milestone dates as indicated as follows:

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<sup>1</sup> The Housing DDR was completed and a payment of \$38.1 million has been made to the County Auditor-Controller.

<b>ACTIVITY</b>	<b>HOUSING</b>	<b>NON-HOUSING</b>
DDR results submitted to OB, DOF, County Auditor-Controller and Others by:	Oct. 1, 2012	Dec. 15, 2012
OB to receive public comment at least five days before approval by:	Oct. 8, 2012	Jan. 8, 2013
OB to approve DDR by:	Oct. 15, 2012	Jan. 15, 2013
DOF completes review and will notify OB and Successor Agency of its determination by:	Nov. 9, 2012	April 1, 2013
Successor Agency requests a meet and confer with DOF if necessary, within five days of Determination, or by:	Nov. 16, 2012	April 6, 2013
DOF will confirm or modify its determination/decision	Within 30 days of meet and confer	
Successor Agency transmits funds to County Auditor-Controller	Within 5 days of final DOF determination/decision	

At its meeting of January 7, 2013, the Board (as prescribed by Section 34179.6(b) of the Health and Safety Code) provided the opportunity for the public to comment on the non-housing DDR. No comments from the public were received. However the County of Los Angeles (County) submitted for the Board's consideration, an analysis memo highlighting several areas with which it had questions. The Board asked staff to ensure that there was adequate discussion of the issues raised by the County prior to voting on the DDR. Staff will address the issues raised by the County during the meeting of January 14<sup>th</sup>, prior to the Board's final consideration and vote.

The version of the DDR, which was distributed in December 2012 and again for the Board meeting of January 7, 2013, included the preservation of roughly \$8.16 million to fund ROPS-III expenses. Since the preparation of the initial DDR, the County made the distribution of \$8.16 million (on January 2, 2013), therefore this amount is not needed for ROPS-III and the DDR has been revised accordingly (including the deletion of the original Exhibit VII, which was ROPS-III). An additional revision has been made since the Board met on January 7<sup>th</sup>, pertaining to a \$3.669 million transfer that was included in the initial Exhibit II-A, but inadvertently left out by the auditor in the narrative portion of the report and the tables. Attached as Exhibit A are the highlighted revisions made to the initial DDR.



## **DISCUSSION**

As presented on January 7, 2013, the DDR was prepared by the County-approved auditing firm of Simpson & Simpson. All applicable statutory procedures were performed totaling, 11 separate procedures (some with numerous components). The DDR as revised since January 7, 2013 and attached as Exhibit B, provides a narrative on all procedures performed (including the citations of the law upon which the procedures were based) and the result of each specific investigation. The DDR also includes several exhibits, which summarize each procedure. Exhibit VII recaps the entire DDR, providing totals of: assets held by the Successor Agency; the amount of assets transferred; assets legally restricted for use; assets that are not cash or cash equivalents; and the balance needed to satisfy ROPS-II (July 1 through December 31, 2012) approved enforceable obligations.

## **FISCAL IMPACT**

Exhibit VII identifies a "bottom line" balance of \$964,000, which is available for allocation to taxing entities. The County will make the proportionate distributions to the effected taxing agencies shortly after the Successor Agency transmits funds as determined by the DOF.

## **CONCLUSION**

The State's goal of dissolving redevelopment in California was to capture funds to help balance the State budget. AB 1484 prescribes a DDR process by which to audit the asset balances of former redevelopment agencies, and to determine how much funding is available for distribution to taxing entities. The Non-Housing DDR process has resulted in identifying nearly one million dollars, which are available for distribution to the affected taxing entities.

The Oversight Board will consider the non-housing DDR and is recommended to adopt a resolution approving the DDR.

## **EXHIBITS**

Exhibit A – Revised Pages of Initial DDR Report

Exhibit B – Simpson & Simpson Non-Housing DDR Report (Final)

## **ATTACHMENT**

Proposed Oversight Board Resolution No. 7

# **EXHIBIT A**

## **Revised Pages of Initial DDR**

***(Distributed in December 2012 and January 7, 2013)***



**City of Burbank, California**  
**Successor Agency**  
**Agreed-Upon Procedures Engagement**  
**Pursuant to the Redevelopment Agency**  
**Assembly Bill 1484 of 2012**  
**Other Funds**

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**Result**

The Successor Agency represented to us that cash of the **Other Funds** was transferred to the City of Burbank for the period from February 1, 2012 through June 30, 2012. On February 1, 2012 cash in the amount of \$3,620,525 was transferred to the City of Burbank as payment for one (1) of 10 City/Agency debt repayments per 1970 Agency Agreement. *See Exhibit II-A for detail and purpose of each transfer on page 18.*

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.


**Result**

For the transfers listed on Exhibit II-A, we noted no requirement in the legal documents for the transfers other than the City resolutions as noted on the Exhibit. However, all of the transfers listed on the exhibit were approved in a letter received from the Department of Finance on September 15, 2012.

*Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
- A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or to private parties for the period from **January 1, 2011 through January 31, 2012**. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**Result**

The Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that cash of the **Other Funds** totaling \$3,282,898 and \$386,379 were transferred to Youth Endowment Services Fund on June 30, 2011 and January 31, 2012, respectively (*see Exhibit II-B on page 20*). 

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- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

***Result***

We obtained, from the Successor Agency, a summary of the financial transactions of the Redevelopment Agency and the Successor Agency for the periods ending June 30, 2010 and 2011; January 31, 2012; and June 30, 2012. We noted no discrepancies in the changes in equity for each period or in comparing the June 30, 2010 balances to the state controller's report filed for the Redevelopment Agency for that period. For fiscal years 2010 and 2011, we traced the balances to the corresponding Comprehensive Audited Financial Reports (CAFRs) and noted that the Capital Asset of \$52M erroneously remained in the RDA's CAFR for fiscal year ended June 30, 2011. However, the Successor Agency had represented to us that the capital assets were transferred to the City (see procedure 2). We agreed the January 31, 2012 and June 30, 2012, balances to the Successor Agency's Trial Balances, respectively (*see exhibit III on pages 21-22*). ✓

*Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

- *A statement of the total value of each fund as of June 30, 2012.*
- 5. Obtain from the Successor Agency a listing of all assets of the **Other Funds** as of June 30, 2012 for the report that is due December 15, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund). When this procedure is applied to the **Other Funds**, the schedule attached as an exhibit will include only those assets of the **Other Funds** that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

***Result***

We obtained a list of all assets of all **Other Funds** (*see Exhibit IV on page 23*). Balances listed in Exhibit IV agreed with the Successor Agency's trial balances of all **Other Funds**. ✓



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less eligible project expenditures).

- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

***Result***

Not Applicable. The Successor Agency of the former redevelopment agency (RDA), City of Burbank has represented to us that the ***Other Funds*** did not have any other restricted assets balances that are legally restricted as of June 30, 2012, other than the restricted balances disclosed in the aforementioned Procedure 6(A)(i) aforementioned.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

***Result***

See Exhibit V on page 24.

*Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

7. Perform the following procedures:

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank has represented to us the following non-liquidated assets held as of June 30, 2012. The value of balances is listed based on book value reflected in the accounting records.

**City of Burbank, California**  
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		<b>Unaudited Balance at June 30, 2012 (in thousands)</b>	
<b>Date</b>	<b>Assets</b>		
6/30/2012	Accounts receivable	\$	52
6/30/2012	Loan receivable		13
6/30/2012	Advance to the City of Burbank		2,007
	<b>Sub-total:</b>		<b>2,072</b>
	Land <sup>(1)</sup>		51,948
	Cash (transferred out between 1/1/11 – 1/31/12) <sup>(2)</sup>		20,933
	Cash (transferred out on 3/1/11) <sup>(3)</sup>		9,548
	Cash (transferred out between 1/1/11 – 1/31/12) <sup>(4)</sup>		3,669
	Cash (transferred out between 2/1/12 – 6/30/12) <sup>(5)</sup>		3,621
	<b>Sub-total:</b>		<b>89,719</b>
	<b>Total:</b>	<b>\$</b>	<b>91,791</b>

- <sup>(1)</sup> The land is added back based on the result of Procedure 2 (A), except for the Capital Projects that were transferred to the City; however, such value was not included in the Successor Agency's books for the fiscal years 2009-10 and 2010-11.
- <sup>(2)</sup> Cash was transferred to the City during the period 1/1/11 through 1/31/12 (as a result of Procedure 2 A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(3)</sup> Cash was transferred to the City on March 1, 2011 (as a result of Procedure 2 A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(4)</sup> Cash was transferred to Youth Endowment Services Fund during the period 1/1/11 through 1/31/2012 (as a result of Procedure 3A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(5)</sup> Cash was transferred to the City during the period 2/1/12 through 6/30/2012 (as a result of Procedure 2 B); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.

- B. The assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

**Result**

The land that was added back to the schedule is based on the book value per audited CAFRs for the fiscal years 2009-10 and 2010-11. Cash that was transferred to the City was recorded at the book value.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.




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*Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that the cash balances at June 30, 2012 need to be retained to satisfy the obligations on ROPS II (see Exhibit VI on pages 25-29) but not ROPS III as property tax revenues (distributed on January 2, 2013) were sufficient to cover all approved obligations reported on ROPS III for the period of January 1, 2013 through June 30, 2013. 

*Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor- Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).



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Successor Agency  
Other Funds  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
AGREED-UPON PROCEDURES AND RESULTS**

***Result***

We performed the procedure and the result is presented in *Exhibit VII* on page 30.



11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

***Result***

A representation letter was signed and provided to the auditor.

**City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2011 Due Diligence Review**

**Summary of Balances Available for Allocation to Affected Taxing Entities  
(in thousands)**

Total amount of assets held by the <i>successor agency</i> as of June 30, 2012 (procedure 5)	\$	38,932	
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)		89,719	✓
Less assets legally restricted for uses specified by debt covenants, grants restrictions, or restrictions imposed by other governments (procedure 6)		(19,357)	
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)		(91,791)	✓
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)		-	
Less balances needed to satisfy ROPS II for the 2012-13 fiscal year (procedure 9 - page 28)		(16,539)	
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance		-	
Amount to be remitted to county for disbursement to taxing entities	\$	964	✓

**EXHIBIT B**  
**Revised/Final DDR**



**City of Burbank, California  
Successor Agency's Other Funds  
Report on Applying Agreed-Upon Procedures  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012**



**City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
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SIMPSON & SIMPSON  
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS  
BRINARD C. SIMPSON, CPA  
MELBA W. SIMPSON, CPA

3600 WILSHIRE BOULEVARD, SUITE 1710  
LOS ANGELES, CA 90010  
(213) 736-6664 TELEPHONE  
(213) 736-6692 FAX  
[www.simpsonandsimpsoncpas.com](http://www.simpsonandsimpsoncpas.com)

Ruth Davidson- Guerra,  
Successor Agency Implementing Official City of Burbank-Successor Agency  
150 North Third Street  
Burbank, California 91502

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the agreed upon procedures associated with Section 34179.5(c)(1) through 34179.5(c)(3) and Section 34179.5(c)(5) through 34179.5(c)(6) of the California Health and Safety Code, under AB 1484, to the **Other Funds** of the Successor Agency, and procedures required by Section 34179.5(c)(4) pertaining to the Successor Agency as a whole, which were generally agreed to by the California State Controller's Office and the Department of Finance solely to assist you in complying with the statutory requirements of AB 1484. Management of the Successor Agency, **City of Burbank**, California is responsible for the accounting records pertaining to statutory compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures and the results of each procedure are as set forth in Attachment A.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion as to the appropriateness of the results summarized in Attachment A. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Los Angeles, California  
December 20, 2012





**City of Burbank, California**  
**Successor Agency**  
**Other Funds**  
**Pursuant to the Redevelopment Agency**  
**Assembly Bill 1484 of 2012 Due Diligence Review**  
**AGREED-UPON PROCEDURES AND RESULTS**

*Citation: 34179.5(c)(1) The dollar value of assets transferred from the former redevelopment agency to the successor agency on or about February 1, 2012.*

1. Obtain from the Successor Agency a listing of all assets that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. Agree the amounts on this listing to account balances established in the accounting records of the Successor Agency. Identify in the Agreed-Upon Procedures (AUP) report the amount of the assets transferred to the Successor Agency as of that date.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that the ***Other Funds*** were transferred to the Successor Agency of the City of Burbank. The City provided us with Resolution No. 28,483 which was adopted on January 31, 2012. The Successor Agency has provided us with the trial balances of the ***Other Funds*** as of January 31, 2012. See Exhibit I for supplemental information and breakdown by fund on page 15.

<b>Date</b>	<b>Assets</b>	<b>Balance</b>
1/31/2012	Cash and investments	\$ 11,197,437
1/31/2012	Restricted Cash	22,159,036
1/31/2012	Accounts receivable	52,053
1/31/2012	Interest receivable	285,922
1/31/2012	Notes receivable	10,964
1/31/2012	Advances Receivable	2,007,137
	<b>Total</b>	<b>\$ 35,712,549</b>

*Citation: 34179.5(c)(2) The dollar value of assets and cash and cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to the city, county, or city and county that formed the redevelopment agency and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

**City of Burbank, California**  
**Successor Agency**  
**Other Funds**  
**Pursuant to the Redevelopment Agency**  
**Assembly Bill 1484 of 2012 Due Diligence Review**  
**AGREED-UPON PROCEDURES AND RESULTS**

**Result**

The Successor Agency has represented to us that the State Controller's Office has not completed its review. Moreover, the Successor Agency represented to us that the following assets of the **Other Funds** were transferred to the City of Burbank for the period from January 1, 2011 through January 31, 2012 (*See Exhibit II-A for detail and purpose of each transfer on pages 16-17*):

<b>Transferred Date</b>	<b>Assets</b>	<b>Fair Market Value (in thousands)</b>	<b>Book Value (in thousands)</b>
3/15/11	Real Property Parcels – Governmental Purpose <sup>(1)</sup>	\$ 5,630	\$ -
3/15/11	Real Property Parcels – Non-governmental Purpose	9,990	51,948 <sup>(2)</sup>
3/15/11	Cash and investments	10,500	10,500
3/15/11	Cash - Capital Improvement Project for Community Investment and Betterment	9,106	9,106
6/14/11	Cash and investments	1,327	1,327
	<b>Total</b>	<b>\$ 36,553</b>	<b>\$ 72,881</b>

<sup>(1)</sup> The amount reported by the Successor Agency for the Capital Improvement Project was not reported in the former RDA's CAFR's for fiscal years 2009-10 and 2010-11. The Successor Agency has represented to us that these properties were recorded in the City of Burbank's books.

<sup>(2)</sup> The Successor Agency has represented to us that the value of the property represents original costs to the former Redevelopment Agency for property/site assembly, including but not limited to: acquisition; relocation; environmental assessments; demolition; and other related costs. The amount does not reflect Fair Market Value.

In addition, the Successor Agency also transferred cash in amount \$9,547,869 on March 1, 2011 to the City of Burbank for the Police/Fire Water Intrusion Reconstruction Project. The Successor Agency had represented to us that per Health and Safety Code Section 34167.5 and Section 34179.5(b)(3) this item does not meet the definition of "transfer" as funds were immediately contractually committed to a third party, and funds were spent on goods and services in accordance with legally binding third party contracts.

- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.



**City of Burbank, California  
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 Other Funds  
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 Assembly Bill 1484 of 2012 Due Diligence Review  
 AGREED-UPON PROCEDURES AND RESULTS**

***Result***

The Successor Agency represented to us that cash of the ***Other Funds*** was transferred to the City of Burbank for the period from February 1, 2012 through June 30, 2012. On February 1, 2012 cash in the amount of \$3,620,525 was transferred to the City of Burbank as payment for one (1) of 10 City/Agency debt repayments per 1970 Agency Agreement. *See Exhibit II-A for detail and purpose of each transfer on page 18.*

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

***Result***

For the transfers listed on Exhibit II-A, we noted no requirement in the legal documents for the transfers other than the City resolutions as noted on the Exhibit. However, all of the transfers listed on the exhibit were approved in a letter received from the Department of Finance on September 15, 2012.

*Citation: 34179.5(c)(3) The dollar value of any cash or cash equivalents transferred after January 1, 2011, through June 30, 2012, by the redevelopment agency or the successor agency to any other public agency or private party and the purpose of each transfer. The review shall provide documentation of any enforceable obligation that required the transfer.*

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - A. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the former redevelopment agency to any other public agency or to private parties for the period from ***January 1, 2011 through January 31, 2012***. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that cash of the ***Other Funds*** totaling \$3,282,898 and \$386,379 were transferred to Youth Endowment Services Fund on June 30, 2011 and January 31, 2012, respectively (*see Exhibit II-B on page 20*).

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- B. Obtain a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) [from the Successor Agency to any other public agency or private parties for the period from *February 1, 2012 through June 30, 2012*. For each transfer, the Successor Agency should describe the purpose of the transfer and describe in what sense the transfer was required by one of the Agency's enforceable obligations or other legal requirements. Provide this listing as an attachment to the AUP report.

***Result***

The Successor Agency has represented to us that the State Controller's Office has not completed its review. Moreover, the Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that none of the assets of the ***Other Funds*** was transferred to any other public agency or private parties for the period *from February 1, 2012 through June 30, 2012*, except the cash paid for the good and service indicated on the ROPS I. Therefore, this procedure is not applicable.

- C. For each transfer, obtain the legal document that formed the basis for the enforceable obligation that required any transfer. Note in the AUP report the absence of any such legal document or the absence of language in the document that required the transfer.

***Result***

We noted no legal document for the transfer other than City Resolution No. 23,169 adopted January 15, 1991; Cooperation Agreement dated April 28, 2011 and Resolution Nos. 23,269, 2832, R-2250 and Y-58. The Successor Agency represented to us that this amount was transferred as an investment into youth-oriented facilities via the Youth Endowment Services Fund, a non-profit corporation.

*Citation: 34179.5(c)(4) The review shall provide expenditure and revenue accounting information and identify transfers and funding sources for the 2010–11 and 2011–12 fiscal years that reconciles balances, assets, and liabilities of the successor agency on June 30, 2012 to those reported to the Controller for the 2009–10 fiscal year.*

4. Perform the following procedures:

- A. Obtain from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the attached schedule for the fiscal periods indicated in the schedule. For purposes of this summary, the financial transactions should be presented using the modified accrual basis of accounting. End of year balances for capital assets (in total) and long-term liabilities (in total) should be presented at the bottom of this summary schedule for information purposes.
- B. Ascertain that for each period presented, the total of revenues, expenditures, and transfers accounts fully for the changes in equity from the previous fiscal period.



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- C. Compare amounts in the schedule relevant to the fiscal year ended June 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.
- D. Compare amounts in the schedule for the other fiscal periods presented to account balances in the accounting records or other supporting schedules. Describe in the report the type of support provided for each fiscal period.

***Result***

We obtained, from the Successor Agency, a summary of the financial transactions of the Redevelopment Agency and the Successor Agency for the periods ending June 30, 2010 and 2011; January 31, 2012; and June 30, 2012. We noted no discrepancies in the changes in equity for each period or in comparing the June 30, 2010 balances to the state controller's report filed for the Redevelopment Agency for that period. For fiscal years 2010 and 2011, we traced the balances to the corresponding Comprehensive Audited Financial Reports (CAFRs) and noted that the Capital Asset of \$52M erroneously remained in the RDA's CAFR for fiscal year ended June 30, 2011. However, the Successor Agency had represented to us that the capital assets were transferred to the City (see procedure 2). We agreed the January 31, 2012 and June 30, 2012, balances to the Successor Agency's Trial Balances, respectively (*see exhibit III on pages 21-22*).

*Citation: 34179.5(c)(5) A separate accounting for the balance for the Low and Moderate Income Housing Fund for all other funds and accounts combined shall be made as follows:*

- *A statement of the total value of each fund as of June 30, 2012.*
5. Obtain from the Successor Agency a listing of all assets of the ***Other Funds*** as of June 30, 2012 for the report that is due December 15, 2012 (excluding the previously reported assets of the Low and Moderate Income Housing Fund). When this procedure is applied to the ***Other Funds***, the schedule attached as an exhibit will include only those assets of the ***Other Funds*** that were held by the Successor Agency as of June 30, 2012 and will exclude all assets held by the entity that assumed the housing function previously performed by the former redevelopment agency. Agree the assets so listed to recorded balances reflected in the accounting records of the Successor Agency. The listings should be attached as an exhibit to the appropriate AUP report.

***Result***

We obtained a list of all assets of all ***Other Funds*** (*see Exhibit IV on page 23*). Balances listed in Exhibit IV agreed with the Successor Agency's trial balances of all ***Other Funds***.

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*Citation: 34179.5(c)(5)(B) An itemized statement listing any amounts that are legally restricted as to purpose and cannot be provided to taxing entities. This could include the proceeds of any bonds, grant funds, or funds provided by other governmental entities that place conditions on their use.*

6. Obtain from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for the following purposes:

A. Unspent bond proceeds:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.)
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

***Result***

The Successor Agency of the former redevelopment agency (RDA), City of Burbank has represented to us that the total restricted assets balances for unspent bond proceeds (reserves balances) for its outstanding bonds at June 30, 2012 amounted to \$19,357,312. The Successor Agency represented to us that there are no other restricted balances for the ***Other Funds***.

B. Grant proceeds and program income that are restricted by third parties:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by the Successor Agency as restricted.

***Result***

Not Applicable. The Successor Agency of the former redevelopment agency, City of Burbank has represented to us that the ***Other Funds*** did not have any restricted assets balances for grant proceeds as of June 30, 2012.

C. Other assets considered to be legally restricted:

- i. Obtain the Successor Agency's computation of the restricted balances (e.g., total proceeds



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less eligible project expenditures).

- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances. Note in the AUP report the absence of language restricting the use of the balances that were identified by Successor the Agency as restricted.

***Result***

Not Applicable. The Successor Agency of the former redevelopment agency (RDA), City of Burbank has represented to us that the ***Other Funds*** did not have any other restricted assets balances that are legally restricted as of June 30, 2012, other than the restricted balances disclosed in the aforementioned Procedure 6(A)(i) aforementioned.

- D. Attach the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, indicate in the report the period of time for which the restrictions are in effect. If the restrictions are in effect until the related assets are expended for their intended purpose, this should be indicated in the report.

***Result***

See Exhibit V on page 24.

*Citation: 34179.5(c)(5)(C) An itemized statement of the values of any assets that are not cash or cash equivalents. This may include physical assets, land, records, and equipment. For the purpose of this accounting, physical assets may be valued at purchase cost or at any recently estimated market value. The statement shall list separately housing-related assets.*

**7. Perform the following procedures:**

- A. Obtain from the Successor Agency a listing of assets as of June 30, 2012 that are **not** liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertain if the values are listed at either purchase cost (based on book value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank has represented to us the following non-liquidated assets held as of June 30, 2012. The value of balances is listed based on book value reflected in the accounting records.

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		<b>Unaudited Balance at</b>	
		<b>June 30, 2012</b>	
<b>Date</b>	<b>Assets</b>	<b>(in thousands)</b>	
6/30/2012	Accounts receivable	\$	52
6/30/2012	Loan receivable		13
6/30/2012	Advance to the City of Burbank		2,007
	<b>Sub-total:</b>		<b>2,072</b>
	Land <sup>(1)</sup>		51,948
	Cash (transferred out between 1/1/11 – 1/31/12) <sup>(2)</sup>		20,933
	Cash (transferred out on 3/1/11) <sup>(3)</sup>		9,548
	Cash (transferred out between 1/1/11 – 1/31/12) <sup>(4)</sup>		3,669
	Cash (transferred out between 2/1/12 – 6/30/12) <sup>(5)</sup>		3,621
	<b>Sub-total:</b>		<b>89,719</b>
	<b>Total:</b>	<b>\$</b>	<b>91,791</b>

- <sup>(1)</sup> The land is added back based on the result of Procedure 2 (A), except for the Capital Projects that were transferred to the City; however, such value was not included in the Successor Agency's books for the fiscal years 2009-10 and 2010-11.
- <sup>(2)</sup> Cash was transferred to the City during the period 1/1/11 through 1/31/12 (as a result of Procedure 2 A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(3)</sup> Cash was transferred to the City on March 1, 2011 (as a result of Procedure 2 A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(4)</sup> Cash was transferred to Youth Endowment Services Fund during the period 1/1/11 through 1/31/2012 (as a result of Procedure 3A); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.
- <sup>(5)</sup> Cash was transferred to the City during the period 2/1/12 through 6/30/2012 (as a result of Procedure 2 B); however, such cash was not in the Successor Agency's books and hence, cash is not available or liquid at June 30, 2012.

- B. The assets listed at 7(A) are listed at purchase cost, trace the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and note any differences.

**Result**

The land that was added back to the schedule is based on the book value per audited CAFRs for the fiscal years 2009-10 and 2010-11. Cash that was transferred to the City was recorded at the book value.

- C. For any differences noted in 7(B), inspect evidence of disposal of the asset and ascertain that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions (this generally is not expected to occur), inspect the supporting documentation and note the circumstances.



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***Result***

Not applicable.

- D. If the assets listed at 7(A) are listed at recently estimated market value, inspect the evidence (if any) supporting the value and note the methodology used. If no evidence is available to support the value and/or methodology, note the lack of evidence.

***Result***

Not applicable.

*34179.5(c)(5)(D) An itemized listing of any current balances that are legally or contractually dedicated or restricted for the funding of an enforceable obligation that identifies the nature of the dedication or restriction and the specific enforceable obligation. In addition, the successor agency shall provide a listing of all approved enforceable obligations that includes a projection of annual spending requirements to satisfy each obligation and a projection of annual revenues available to fund those requirements. If a review finds that future revenues together with dedicated or restricted balances are insufficient to fund future obligations and thus retention of current balances is required, it shall identify the amount of current balances necessary for retention. The review shall also detail the projected property tax revenues and other general purpose revenues to be received by the successor agency, together with both the amount and timing of the bond debt service payments of the successor agency, for the period in which the oversight board anticipates the successor agency will have insufficient property tax revenue to pay the specified obligations.*

**8. Perform the following procedures:**

- A. If the Successor Agency believes that asset balances need to be retained to satisfy enforceable obligations, obtain from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and perform the following procedures. The schedule should identify the amount dedicated or restricted, the nature of the dedication or restriction, the specific enforceable obligation to which the dedication or restriction relates, and the language in the legal document that is associated with the enforceable obligation that specifies the dedication of existing asset balances toward payment of that obligation.
- i. Compare all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. Compare all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.

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- iii. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
- iv. Compare the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance. Attach as an exhibit to the report the listing obtained from the Successor Agency. Identify in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

***Result***

The Successor Agency, City of Burbank, has represented to us that no asset balances at June 30, 2012 are dedicated or restricted for funding of enforceable obligations. As such, none of the above procedures were applicable. However, the calculation for the asset balances needed to be retained to satisfy enforceable obligations is reflected in Procedure 9.

- B. If the Successor Agency believes that future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, obtain from the Successor Agency a schedule of approved enforceable obligations that includes a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and perform the following procedures:
  - i. Compare the enforceable obligations to those that were approved by the California Department of Finance. Procedures to accomplish this may include reviewing the letter from the California Department of Finance approving the Recognized Enforceable Obligation Payment Schedules for the six month period from January 1, 2012 through June 30, 2012 and for the six month period July 1, 2012 through December 31, 2012.
  - ii. Compare the forecasted annual spending requirements to the legal document supporting each enforceable obligation.
    - a. Obtain from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
  - iii. For the forecasted annual revenues:
    - a. Obtain from the Successor Agency its assumptions for the forecasted annual revenues and disclose in the report major assumptions associated with the projections.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank has represented to us that the Successor Agency does not believe future revenues are insufficient to satisfy future



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obligation payments and thus; retention of current balances are not required; As such, this procedure is not applicable.

- C. If the Successor Agency believes that projected property tax revenues and other general purpose revenues to be received by the Successor Agency are insufficient to pay bond debt service payments (considering both the timing and amount of the related cash flows), obtain from the Successor Agency a schedule demonstrating this insufficiency and apply the following procedures to the information reflected in that schedule.
- i. Compare the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. Obtain the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. Obtain the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank has represented to us that the Successor Agency at this time, based on the brief history of RPTTF distributions and anticipated distributions, believes the projected property tax revenues and general purpose revenues to be received are sufficient to pay bond debt service payments and thus retention of the current balance is not required for future bond debt service payments. The Successor Agency's belief is based on the assumption that the future ROPS will be approved and RPTTF disbursements will be made in sufficient amounts to cover approved enforceable obligations. As such, this procedure is not applicable.

- D. If procedures A, B, or C were performed, calculate the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures.
- i. Combine the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. Reduce the amount of total resources available by the amount forecasted for the annual spending requirements. A negative result indicates the amount of current unrestricted balances that needs to be retained.
  - iii. Include the calculation in the AUP report.

***Result***

See results of A, B, and C above.



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*Citation: 34179.5(c)(5)(E) An itemized list and analysis of any amounts of current balances that are needed to satisfy obligations that will be placed on the Recognized Obligation Payment Schedules for the current fiscal year.*

9. If the Successor Agency believes that cash balances as of June 30, 2012 need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, obtain a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013. For each obligation listed on the ROPS, the Successor Agency should add columns identifying (1) any dollar amounts of existing cash that are needed to satisfy that obligation and (2) the Successor Agency's explanation as to why the Successor Agency believes that such balances are needed to satisfy the obligation. Include this schedule as an attachment to the AUP report.

***Result***

The Successor Agency of the former redevelopment agency, City of Burbank, has represented to us that the cash balances at June 30, 2012 need to be retained to satisfy the obligations on ROPS II (see *Exhibit VI on pages 25-29*) but not ROPS III as property tax revenues (distributed on January 2, 2013) were sufficient to cover all approved obligations reported on ROPS III for the period of January 1, 2013 through June 30, 2013.

*Citation: 34179.5(c)(6) The review shall total the net balances available after deducting the total amounts described in subparagraphs (B) to (E), inclusive, of paragraph (5). The review shall add any amounts that were transferred as identified in paragraphs (2) and (3) of subdivision (c) if an enforceable obligation to make that transfer did not exist. The resulting sum shall be available for allocation to affected taxing entities pursuant to Section 34179.6. It shall be a rebuttable presumption that cash and cash equivalent balances available to the successor agency are available and sufficient to disburse the amount determined in this paragraph to taxing entities. If the review finds that there are insufficient cash balances to transfer or that cash or cash equivalents are specifically obligated to the purposes described in subparagraphs (B), (D), and (E) of paragraph (5) in such amounts that there is insufficient cash to provide the full amount determined pursuant to this paragraph, that amount shall be demonstrated in an additional itemized schedule.*

10. Include (or present) a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities. Amounts included in the calculation should agree to the results of the procedures performed in each section above. The schedule should also include a deduction to recognize amounts already paid to the County Auditor- Controller on July 12, 2012 as directed by the California Department of Finance. The amount of this deduction presented should be agreed to evidence of payment. The attached example summary schedule may be considered for this purpose. Separate schedules should be completed for the Low and Moderate Income Housing Fund and for all other funds combined (excluding the Low and Moderate Income Housing Fund).

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***Result***

We performed the procedure and the result is presented in *Exhibit VII on page 30*.

11. Obtain a representation letter from Successor Agency management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report. Included in the representations should be an acknowledgment that management is not aware of any transfers (as defined by Section 34179.5) from either the former redevelopment agency or the Successor Agency to other parties for the period from January 1, 2011 through June 30, 2012 that have not been properly identified in the AUP report and its related exhibits. Management's refusal to sign the representation letter should be noted in the AUP report as required by attestation standards.

***Result***

A representation letter was signed and provided to the auditor.

*Notes:*

<sup>1</sup> The City combines the cash and investments of all funds, including the Agency, into two pools (the City pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents is credited directly to the related funds.

<sup>2</sup> Restricted fund balances are restricted for specific purposes by third parties - required bond reserves.

<sup>3</sup> Billed receivables are outstanding balances that are *projected* to be received.

<sup>4</sup> This balance has been deleted as the funds are no longer part of the City's pooled investment portfolio and reside in a separate LAIF account. Previous to 2/1/12, the RDA funds had a balance for interest receivable based on the City's pooled investments and monthly interest allocation.

<sup>5</sup> Notes receivable are balances reported in restricted fund balance line items in the government funds statements and in restricted net assets in government activities in the entity-wide statements. These are *projected* revenues.

<sup>6</sup> Loan Agreement between the City and former Agency for the preservation of affordable housing (1,014 units). Repayment is only required should there be future, unrestricted available funds. Also includes other project related advances.



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Schedule of Transfer of Assets and Cash and Cash Equivalents  
For the Period January 1, 2011 through June 30, 2012

PROPERTY	NOTES AND ATTACHMENTS DESCRIPTION	VALUE AMOUNTS	DATE OF TRANSFER	TRANSFERRED TO:
<b>ENFORCEABLE OBLIGATIONS</b>				
<b>DEBT REPAYMENT PER 1970 AGENCY AND CITY AGREEMENT, AMENDMENTS AND PROMISSORY NOTES.</b>				
<i>Debt repayment in exchange for Real Property Parcels (Goods and Services) - In accordance with Section 34179.5 (b)(3) of the Health and Safety Code. January 31, 2012 Resolution No. 28,485 outlines January 2012 fair market values. Resolution No. 28,510 amends (increases) fair market values based on real property appraisals for multiple Mall Properties (\$5.5 million) and 101, 107, 111 and 123 Burbank Blvd. remnant parcels (\$17,800).</i>				
<b>REAL PROPERTY PARCELS - GOVERNMENTAL PURPOSE:</b>				
133 Orange Grove Avenue	Parking Structure; North side of Orange Grove b/w First & San Fernando	\$ 2,435,000	15-Mar-11	Parking Authority of the City of Burbank
374 E. Orange Grove Avenue	City Office Building	2,000,000	15-Mar-11	City of Burbank
140 E. Orange Grove Avenue	Parking Structure; Ground Lease & Operating Agmt Cusumano Pshp	415,000	15-Mar-11	City of Burbank
120 E. Orange Grove Avenue	Parking Spaces Lease Universal City Studios Credit Union	780,000	15-Mar-11	City of Burbank
APN 2466-011-905	Hollywood Way right-of-way parcel	5,630,000		
	SUBTOTAL			
<b>REAL PROPERTY PARCELS - NON-GOVERNMENTAL PURPOSE:</b>				
Multiple Mail-Related Parcels	Subject to Ground Lease	7,500,000	15-Mar-11	City of Burbank
123 W. Burbank Blvd.	Multiple Remnant Parcels	550,000	15-Mar-11	City of Burbank
111 W. Burbank Blvd.				
107 W. Burbank Blvd.				
101 W. Burbank Blvd.	Month to Month Lease w- Airport Authority	1,940,000	15-Mar-11	City of Burbank
2712 N. Hollywood Way	Month to Month Lease w- Airport Authority			
2760 N. Hollywood Way	Month to Month Lease w- Airport Authority			
2760 N. Hollywood Way	Month to Month Lease w- Airport Authority			
APN 2466-009-905	SUBTOTAL	9,990,000		
	TOTAL	\$ 15,620,000		
<i>\$15,620,000 applied toward: City Centre Sides Tax Coop Promissory Note - payment of \$12,401,000; City Centre Promissory Note - payment of \$3,047,000; and South San Fernando Promissory Note - payment of \$172,000.</i>				
<b>DEBT REPAYMENT BETWEEN FORMER AGENCY AND CITY (Health &amp; Safety Code 34179.5 (b)(2) defines an enforceable obligation for purposes of the Due Diligence Review (DUR). The definition lists 3 different categories of items that fit within the meaning of enforceable obligation.)</b>				
Cash and Cash Equivalents of \$10,500,000	Per 1970 Agency and City Agreement, Amendments and Promissory Notes - Burbank's City/Agency loans are within Health & Safety Code section 34171 (d)(1)(B), which covers loans of moneys borrowed by a redevelopment agency for a lawful purpose to the extent they are required to be paid back. The loans repaid by the Agency to City during 2011 were required to be repaid by the terms of the original City Loan Agreement to Agency entered into in 1970 and as thereafter amended, as well as by the documents evidencing specific debts such as promissory notes. See page 19 for details.	\$ 10,500,000	15-Mar-11	City of Burbank

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For the Period January 1, 2011 through June 30, 2012

PROPERTY	NOTES AND ATTACHMENTS DESCRIPTION	VALUE AMOUNTS	DATE OF TRANSFER	TRANSFERRED TO:
<b>TRANSFERS - INVESTMENT PURPOSES</b>				
<b>CAPITAL IMPROVEMENT PROJECTS FOR COMMUNITY INVESTMENT AND BETTERMENT</b>	Per Health and Safety Code Section 33445, a redevelopment agency, with the consent of the legislative body, is authorized to pay for these capital projects as listed as all of the findings of benefit to redevelopment project areas and City were determined and made by the Burbank City Council.	Values below EXCLUDE costs for goods and services		
<i>Johnny Carson Park</i>	Budget amounts of \$500,000 per year made from former Agency funds to the City Capital Improvement Project Account between Fiscal Years 07/08 and 10/11 during the City's budget process totaling \$2,000,000. Final project appropriation of \$500,000 made in March 2011 in accordance with Redevelopment Agency Resolution No. R-2247. <u>The Value noted specifically excludes costs for goods and services - two contracts: one for \$459,000 for landscape design services, and the second for \$30,000 for grant writing services.</u>	\$ 2,011,000	15-Mar-11	City of Burbank
<i>North San Fernando Boulevard Corridor Infrastructure Project</i>	Project appropriation of \$4,950,000 made in accordance with Redevelopment Agency Resolution No. R-2248.	4,950,000	15-Mar-11	City of Burbank
<i>Victory Boulevard Corridor Infrastructure Project</i>	Project appropriation of \$2,144,700 made in accordance with Redevelopment Agency Resolution No. R-2248. <u>The Value noted excludes costs for goods and services - one contract for \$55,300 for design services.</u>	2,144,700	15-Mar-11	City of Burbank
	TOTAL	\$ 9,105,700		
<i>Police/Fire Water Intrusion Reconstruction Project</i>	<u>Per Health and Safety Code Section 34167.5 and Section 34179.5(b)(3) this item does not meet the definition of "transfer" as funds were immediately contractually committed to a third party, and funds were spent on goods and services in accordance with legally binding third party contracts.</u>	\$ 9,547,869	1-Mar-11	City of Burbank
<b>TRANSFERS - NO VALUE</b>				
<b>UNDEVELOPABLE / RIGHT-OF-WAY PARCELS / GOVERNMENTAL PURPOSE - In accordance with Section 34179.5 (b)(3) of the Health and Safety Code. *</b>				
APN 2405-011-903	Landscaped Island (San Fernando Blvd. & Hollywood Way)	\$ -	15-Mar-11	City of Burbank
APN 2438-032-904	Landscaped Island (Burbank Blvd. & Victory Blvd.)	\$ -	15-Mar-11	City of Burbank
10 W. Magnolia Blvd.	Agency Undivided 25% Interest; City Undivided 75% Interest (non-severable)	\$ -	15-Mar-11	City of Burbank
APN 2466-005-900	Landscaped Island (San Fernando Blvd. & Hollywood Way)	\$ -	15-Mar-11	City of Burbank
APN 2466-005-907	Landscaped Island (San Fernando Blvd. & Hollywood Way)	\$ -	15-Mar-11	City of Burbank
APN 2405-011-902	Landscaped Island (San Fernando Blvd. & Hollywood Way)	\$ -	15-Mar-11	City of Burbank
APN 2453-010-911	Walkway (Between Elephant Bar and Parking Structure)	\$ -	15-Mar-11	City of Burbank
* While no value was attributed to these parcels, there are long-term maintenance costs associated with these parcels.				
<b>LOAN TO CITY - FORMER REDEVELOPMENT AGENCY LOAN TO THE CITY</b>				
Cash and Cash Equivalents of \$1,327,404	Resolution Nos. 28,351 (City), R-2255 (Agency), and H-207 (Housing Authority); preservation of affordable housing (1,014 units). Repayment is only required should there be future, unrestricted available funds.	\$ 1,327,404	14-Jun-11	City of Burbank and Housing Authority



City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
Schedule of Transfer of Assets and Cash and Cash Equivalents  
For the Period January 1, 2011 through June 30, 2012

PROPERTY	NOTES AND ATTACHMENTS DESCRIPTION	VALUE AMOUNTS	DATE OF TRANSFER	TRANSFERRED TO:
<b>DEBT REPAYMENT BETWEEN FORMER AGENCY AND CITY (Per Health and Safety Code Section 34171(d)(2), loan agreements entered into between the redevelopment agency and the city, county or city and county that created it, within two years of the date of creation of the redevelopment agency, are enforceable obligations)</b>				
Cash and Cash Equivalents of \$3,620,525	Payment one (1) of 10 for City/Agency debt repayment per 1970 Agency and City Agreement, Amendments and Promissory Notes; Resolution Nos. 28,301 (City) and R-2246 (Agency). ROPS 1 - Item #s 16-19 ROPS 2 - Item #s 15-16 As approved by the Oversight Board and the Department of Finance.	\$ 3,620,525	1-Feb-12	City of Burbank
	<b>\$3,620,525 applied toward:</b> (1) City Centre Promissory Note - payment of \$3,323,000; (2) City Centre Sales Tax Cooperation Agreement Note - payment of \$255,000; (3) West Olive 7% Interest Promissory Note - payment of \$23,000; and (4) South San Fernando Promissory Note - payment of \$19,000.			

All other transactions under DDR Procedure No. 3: 34179.5(c)(3) are listed on the Department of Finance approved ROPS I for January 2012 - June 2012.

1 - These amounts should be excluded as money was transferred for investment purposes into City project accounts for benefit of the project areas and City (See Health and Safety Code Section 34179.5(b)(3)).



**City of Burbank, California  
Successor Agency  
Other Funds  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
Burbank Non-Housing DDR – Part C-2  
Debt Repayment**

Health & Safety Code 34179.5 (b)(2) defines an enforceable obligation for purposes of the Due Diligence Review (DDR). This definition lists 3 different categories of items that fit within the meaning of enforceable obligation, as follows:

““Enforceable obligation” includes (1) any of the items listed in subdivision (d) of Section 34171, (2) contracts detailing specific work to be performed that were entered into by the former redevelopment agency prior to June 28, 2011, with a third party that is other than the city, county, or city and county that created the former redevelopment agency, and (3) indebtedness obligations as defined in subdivision (e) of Section 34171.”  
(Underlined numbers added by City for ease of reading.)

Burbank’s City/Agency loans are within Health & Safety Code section 34171 (d)(1)(B), which covers loans of moneys borrowed by a redevelopment agency for a lawful purpose to the extent they are required to be paid back. The loans repaid by the Agency to City during 2011 were required to be repaid by the terms of the original City Loan Agreement to Agency entered into in 1970 and as thereafter amended, as well as by the documents evidencing specific debts such as promissory notes. Therefore, the Burbank City/Agency loans fall squarely in the first category of enforceable obligations listed in 34179.5 (b)(2), see above.

Health & Safety Code section 34171(d)(2) also states “For purposes of this part, ‘enforceable obligation’ does not include any agreements, contracts, or arrangements between the city, county, or city and county that created the redevelopment agency and the former redevelopment agency.” What is critical to note, however, is that the “part” being referred to in Health & Safety Code section 34171(d)(2) did not become effective until February 1, 2012. The plain meaning of the language is that as of February 1, 2012, city/agency loans are no longer enforceable obligations unless they meet an exception listed therein. (Burbank City/Agency debt does meet the exception since the Loan Agreement was entered into in 1970, within 2 years of formation.) The legislation, however, does not imply that before February 1, 2012, these loans were NOT enforceable obligations. Prior to February 1, 2012, Burbank City/Agency loans were enforceable obligations under Part 1.80 of AB 26. It is critical to assess enforceability at the time the repayment was made, not on what took place afterward.

In Burbank’s situation part of Agency’s debt to City was repaid in March 2011 pursuant to terms in loan agreements and/or promissory notes evidencing the debt.

City of Burbank, California  
 Successor Agency  
 Agreed-Upon Procedures Engagement  
 Pursuant to the Redevelopment Agency  
 Assembly Bill 1484 of 2012 Due Diligence Review  
 Schedule of Transfer of Assets and Cash and Cash Equivalents  
 For the Period January 1, 2011 through June 30, 2012

PROPERTY	NOTES AND ATTACHMENTS DESCRIPTION	VALUE AMOUNTS	DATE OF TRANSFER	TRANSFERRED TO:
INVESTMENT PURPOSES/THIRD PARTY OBLIGATIONS <sup>2</sup>				
Former Agency Appropriation to the Youth Endowment Services Fund	The Youth Endowment Services (YES) Fund, a non-profit corporation, received a tax-increment transfer from the former Redevelopment Agency in accordance with Resolution No. 23,169 adopted January 15, 1991 in the amount of \$3,669,277 during the reporting period. <u>Value noted specifically excludes \$30,400 used for goods and services.</u>	\$	30-Jun-11	Youth Endowment Services Fund
			31-Jan-12	
	Total	\$		

All other transactions under DDR Procedure No. 3: 34179.5(c)(3) are listed on the Department of Finance approved ROPS I for January 2012 - June 2012.

<sup>2</sup> - This total amount should be excluded as money was transferred as an investment into youth-oriented facilities via the Youth Endowment Services Fund, a non-profit corporation (See Health and Safety Code Section 34179.5(b)(3)).

City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
Summary of Financial Transactions

(in thousands)

	12 Months Ended 6/30/2010	12 Months Ended 6/30/2011	Unaudited 7 Months Ended 1/31/2012	Unaudited As of 6/30/2012
<b>Assets (modified accrual basis)</b>				
Cash and cash investments	\$ 39,693	\$ 9,501	\$ 11,197	\$ 17,527 <sup>1</sup>
Restricted non-pooled cash and cash equivalents	-	-	-	-
Restricted investments	17,508	22,375	22,159	19,357 <sup>2</sup>
Accounts receivable	26	156	52	28 <sup>3</sup>
Interest receivable	321	141	286	- <sup>4</sup>
Taxes receivable	2,094	1,747	-	-
Notes receivable	54	22	11	13 <sup>5</sup>
Prepaid items and deposits	1	28	-	-
Advances to other funds	2,280	2,280	2,280	-
Advances to the City of Burbank	680	2,007	2,007	2,007 <sup>6</sup>
<b>Total Assets</b>	<b>\$ 62,657</b>	<b>\$ 38,257</b>	<b>\$ 37,992</b>	<b>\$ 38,932</b>
<b>Liabilities (modified accrual basis)</b>				
Accounts payable	\$ 2,711	\$ 2,925	\$ 81	\$ 1,783
Advances from other funds	2,280	2,280	2,280	-
<b>Total Liabilities</b>	<b>\$ 4,991</b>	<b>\$ 5,205</b>	<b>\$ 2,361</b>	<b>\$ 1,783</b>
<b>Equity</b>				
	57,666	33,052	35,631	37,149
<b>Total Liabilities + Equity</b>	<b>\$ 62,657</b>	<b>\$ 38,257</b>	<b>\$ 37,992</b>	<b>\$ 38,932</b>
<b>Total Revenues:</b>	\$ 56,980	\$ 43,717	\$ 28,823	\$ 52,095
<b>Total Expenditures:</b>	46,123	68,331	25,401	45,015
<b>Total Transfers:</b>	15,873		843	2,983
<b>Net change in equity</b>	(5,016)	(24,614)	2,579	4,097
<b>Beginning Equity:</b>	62,682	57,666	33,052	33,052
<b>Ending Equity:</b>	<b>\$ 57,666</b>	<b>\$ 33,052</b>	<b>\$ 35,631</b>	<b>\$ 37,149</b>
<b>Other Information (show year end balances for all three years presented):</b>				
Capital assets as of end of year	\$ 51,948	\$ 51,948	\$ -	\$ -
Long-term debt as of end of year / period- Bond	\$ 109,664	\$ 155,785	\$ 151,021	\$ 151,021
Long-term debt as of end of year / period - Burbank	\$ 50,151	\$ 39,650	\$ 34,331	\$ 27,747



City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
Summary of Financial Transactions  
(in thousands)

**Notes:**

<sup>1</sup> The June 30, 2012 cash/cash and investments figure includes the Successor Agency's RPTTF remittance for ROPS II in the amount of \$13.1 million and is required for the enforceable obligations during July 1, 2012 - December 31, 2012. City combines the cash and investments of all funds, including the Agency, into two pools (the City pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents is credited directly to the related funds.

<sup>2</sup> Restricted fund balances are restricted for specific purposes by third parties - required bond reserves.

<sup>3</sup> Billed receivables are outstanding balances that are *projected* to be received.

<sup>4</sup> This balance was deleted as the funds are no longer part of the City's pooled investment portfolio and reside in a separate LAIF account. Previous to 2/1/12, the RDA funds had a balance for interest receivable based on the City's pooled investments and monthly interest allocation.

<sup>5</sup> Notes receivable are balances reported in restricted fund balance line items in the government funds statements and in restricted net assets in government activities in the entity-wide statements. These are *projected* revenues.

<sup>6</sup> Loan Agreement between the City and former Agency for the preservation of affordable housing (1,014 units). Repayment is only required should there be future, unrestricted available funds. Also includes other project related advances.

Ending balance not reflective of actual funds available:
\$17,527 minus
\$13,109 RPTTF
payment
<b>\$4,418.00</b>

**Exhibit IV**

**City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
List of Assets of Other Funds  
As of June 30, 2012  
(in thousands)**

	Unaudited
Cash and cash investments	\$ 17,527
Restricted investments	19,357
Accounts receivable	28
Notes receivable	13
Advances to the City of Burbank	2,007
<b>Total Assets</b>	<b>\$ 38,932</b>

City of Burbank, California  
Successor Agency  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Assembly Bill 1484 of 2012 Due Diligence Review  
Schedule of Asset Balance - Unspent Bond Proceeds - Reserves (Unaudited)

Account Number	Bond	Amount	Description	Restriction Period	ROPS 2 Item
201 ND000 10809 1003	Golden State 1993 Series A Tax Allocation Bond	\$ 5,050,025	Bond reserve per official statement	12/1/2014	1 to 1.1
201 ND000 10809 1007	Golden State 1993 Series A Tax Allocation Bond	25	Interest payment account	12/1/2014	1 to 1.1
201 ND000 10809 1008	Golden State 1993 Series A Tax Allocation Bond	6	Principal payment account	12/1/2014	1 to 1.1
201 ND000 10809 1009	Golden State 1993 Series A Tax Allocation Bond	170,758	Special fund account	12/1/2014	1 to 1.1
201 ND000 10824 1003	Golden State 2003 Series A Tax Allocation Bond	2,707,775	Bond reserve per official statement	12/1/2020	2 to 2.1
201 ND000 10824 1012	Golden State 2003 Series A Tax Allocation Bond	87	Revenue fund account	12/1/2020	2 to 2.1
201 ND000 10826 1000	Golden State 1993 Subordinated Tax Allocation Bond (remarketed)	1	Bond service fund account	12/1/2043	3 to 3.1
201 ND000 10826 1003	Golden State 1993 Subordinated Tax Allocation Bond (remarketed)	1,949,484	Bond reserve per official statement	12/1/2043	3 to 3.1
201 ND000 10826 1007	Golden State 1993 Subordinated Tax Allocation Bond (remarketed)	17	Interest payment account	12/1/2043	3 to 3.1
201 ND000 10831 1012	Golden State 2007 Series A Revenue Bond	158,692	Revenue fund account	12/1/2032	4
202 ND000 10811 1003	City Centre 1993 Series A Tax Allocation Bond	1,742,663	Bond reserve per official statement	12/1/2023	5 to 5.1
202 ND000 10811 1007	City Centre 1993 Series A Tax Allocation Bond	1	Interest payment account	12/1/2023	5 to 5.1
202 ND000 10811 1008	City Centre 1993 Series A Tax Allocation Bond	52,312	Principal payment account	12/1/2023	5 to 5.1
202 ND000 10827 1012	Public Financing Auth 2003 Series C Revenue Bond (City Centre)	83,594	Revenue fund account	12/1/2013	n/a
203 ND000 10822 1003	West Olive 2002 Series A Tax Allocation Bond	951,475	Bond reserve per official statement	12/1/2026	7 to 7.1
203 ND000 10822 1006	West Olive 2002 Series A Tax Allocation Bond	5,545,078	Special escrow fund per bond official statement	12/1/2026	7 to 7.1
203 ND000 10822 1007	West Olive 2002 Series A Tax Allocation Bond	8	Interest payment account	12/1/2026	7 to 7.1
204 ND000 10823 1000	South San Fernando 2003 Series B Tax Allocation Bond	0	Bond service fund account	12/1/2033	8 to 8.1
204 ND000 10823 1003	South San Fernando 2003 Series B Tax Allocation Bond	349,825	Bond reserve per official statement	12/1/2033	8 to 8.1
204 ND000 10823 1007	South San Fernando 2003 Series B Tax Allocation Bond	25	Interest payment account	12/1/2033	8 to 8.1
207 ND000 10830 1003	Community Facilities District No. 2005-1 Special Tax Revenue Bond (City Centre)	595,420	Bond reserve per official statement	12/1/2023	6 to 6.1
207 ND000 10830 1007	Community Facilities District No. 2005-1 Special Tax Revenue Bond (City Centre)	42	Interest payment account	12/1/2023	6 to 6.1
		<u>\$ 19,357,312</u>			



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**JULY 2012 - DECEMBER 2012**  
*Oversight Board and Department of Finance Approved*

Project Type	Project Name / Debt Obligation	Project Area	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation as of Jul 1, 2012	Total Due During Fiscal Year 2012-2013 (Jul 1, 2012 - Jun 30, 2013)	Month <sup>1</sup> Total for Jul 1 2012 to Dec 31, 2012
TAX ALLOCATION BONDS	Golden State 1993 Series A 1 Tax Allocation Bond	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$410,000 to \$4,655,000 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects, (ii) the advance refunding of the Agency's outstanding First Lien Tax Allocation Bonds, 1985 Series A, and (iii) the advance refunding of the Agency's outstanding Second Lien Refunding Tax Allocation Bonds, 1985 Series A.	Redevelopment Property Tax Trust Fund	59,403,475.00	4,910,156.25	\$ 3,711,913
TAX ALLOCATION BONDS	Golden State 2003 Series A 2 Tax Allocation Bond	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$780,000 to \$6,620,000 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for the acquisition and construction of various projects.	Redevelopment Property Tax Trust Fund	24,381,000.00	2,724,068.75	2,257,438
TAX ALLOCATION BONDS	Golden State 1993 Subordinated Tax Allocation 3 Bond (Remarketed)	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds were issued for the purpose of financing redevelopment activities within or for the benefit of the Agency's Golden State project. The bonds were originally sold to the City of Burbank and the proceeds of the remarketing will be used to (a) purchase the bonds from the City, (b) fund a reserve fund for the bonds, and (c) pay the costs of the remarketing.	Redevelopment Property Tax Trust Fund	55,548,857.55	1,338,327.50	669,164
TAX ALLOCATION BONDS	Golden State 2007 Series A 4 Revenue Bonds	Merged - Golden State	PFA and Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$50 to \$2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds, (iii) and to pay for capital improvements.	Redevelopment Property Tax Trust Fund	86,449,998.80	2,364,792.50	1,210,378
TAX ALLOCATION BONDS	City Centre 1993 Series A 5 Tax Allocation Bonds	Merged - City Centre	Bond Holders Via Wells Fargo Bank	The Bonds are due in annual installments from \$85 to \$1,665 through December 1, 2023. Interest at various rates ranging from 2.50% to 5.30% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects and (ii) the partial advance refunding of the Agency's outstanding City Centre Redevelopment Project Tax Allocation Bonds, 1990 Series A.	Redevelopment Property Tax Trust Fund	20,684,087.50	1,731,925.00	1,347,713
TAX ALLOCATION BONDS	Community Facilities District No. 2003-1 Special Tax 6 Revenue Bond	Merged - City Centre	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$295,000 to \$565,000 through December 1, 2023. Interest at various rates ranging from 4.00% to 5.20% is payable semiannually on June 1 and December 1. The bonds are collateralized by a first pledge of all the tax increment revenues and special tax revenues. The bonds are being issued to provide moneys (i) to finance a portion of the costs related to the construction of the facilities, (ii) to fund a reserve fund, and (iii) to pay for costs related to the issuance of the bonds.	Redevelopment Property Tax Trust Fund	6,990,285.00	587,966.25	465,210
TAX ALLOCATION BONDS	West Olive 2002 Series A 7 Tax Allocation Bond	West Olive	Bond Holders Via Wells Fargo Bank	The Bonds are due in annual installments from \$380,000 to \$925,000 through December 1, 2026. Interest at various rates ranging from 2.00% to 5.125% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues, net of pass-through payments, to be received by the project. The bonds provide funding for the acquisition and construction of various projects.	Redevelopment Property Tax Trust Fund	14,235,821.27	948,005.00	725,339
TAX ALLOCATION BONDS	South San Fernando 2003 Series B Tax Allocation 8 Bond	Merged - South San Fernando	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$85,000 to \$330,000 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. These bonds provide funding for the acquisition and construction of various projects.	Redevelopment Property Tax Trust Fund	7,522,546.91	343,481.26	227,978
TAX ALLOCATION BONDS	Golden State Bank Service 10 Charges	Merged - Golden State	Bank of America/Wells Fargo/BLX	FY 12-13 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis.	Redevelopment Property Tax Trust Fund	14,100.00	14,100.00	2,000

RECOGNIZED OBLIGATION PAYMENT SCHEDULE

JULY 2012 - DECEMBER 2012

Oversight Board and Department of Finance Approved

Project Type	Project Name / Debt Obligation	Project Area	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation as of Jul 1, 2012	Total Due During Fiscal Year 2012-2013 (Jul 1, 2012 - Jun 30, 2013)	Month <sup>1</sup> Total for Jul 1 2012 to Dec 31, 2012
TAX ALLOCATION BONDS	City Centre Bank Service Charges	Merged - City Centre	Bank of America/Wells Fargo/BLX	FY 12-13 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis.	Redevelopment Property Tax Trust Fund	10,800.00	10,800.00	3,800
TAX ALLOCATION BONDS	West Olive Bank Service Charges	West Olive	Bank of America/Wells Fargo/BLX	FY 12-13 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis.	Redevelopment Property Tax Trust Fund	7,000.00	7,000.00	7,000
TAX ALLOCATION BONDS	Oversight of Bonds	Merged - Golden State, City Centre, and South San Fernando & West Olive	City of Burbank	Monitoring and Oversight of Bonds.	Redevelopment Property Tax Trust Fund	6,069.00	6,069.00	3,035
BURBANK REDEVELOPMENT AGENCY DEBT TO THE CITY OF BURBANK	West Olive Loan from City General Fund as an Advance from the City and Agency Agreement dated September 15, 1970**	West Olive	City of Burbank	Promissory Note dated December 31, 1985 for City funds advanced totaling \$225,000 to the West Olive project area pursuant to 1970 City and Agency Agreement. The Promissory Note bears 7% interest per year and is currently being paid quarterly. There is no repayment schedule for the principal portion of this advance. Repayment of the advance will be made as the funds become available in the future. Resolution No. R-1352 (December 1985) and R-2092 (December 2003) reaffirm this debt. Total outstanding obligation adjusted each fiscal year to include accrued interest.	Redevelopment Property Tax Trust Fund	218,250.00	38,250.00	7,875
				In November 1989, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$18,500,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st of each calendar year up to and including February 1, 2016. Actual total due each fiscal year depends on property tax received in prior year. Total outstanding obligation based on property tax received in FY 2011-2012 and projected to the life of the note (February 1, 2016.)	Redevelopment Property Tax Trust Fund	9,289,336.00	2,322,334.00	1,161,167
MALL PROJECT		Merged - City Centre	Burbank Mall Associates LLC	In December 1990, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$33,000,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st of each calendar year up to and including February 1, 2016. Actual total due each fiscal year depends on property tax received in prior year. Total outstanding obligation based on property tax received in FY 2011-2012 and projected to the life of the note (February 1, 2016.)	Redevelopment Property Tax Trust Fund			

**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

**JULY 2012 - DECEMBER 2012**

*Oversight Board and Department of Finance Approved*

Project Type	Project Name / Debt Obligation	Project Area	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation as of Jul. 1, 2012	Total Due During Fiscal Year 2012-2013 (Jul. 1, 2012 - Jun. 30, 2013)	Month <sup>1</sup> Total for Jul. 1 2012 to Dec. 31, 2012
LOW/MOD HOUSING PROJECTS AND PROGRAMS	20.1 Project Management: 2234 N. Catalina <sup>2</sup>	City Centre, and South San Fernando & West Olive	Authority as Successor Housing Agency Project Manager	Oversight and project management of approved project. Total of 9.5% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	14,099.81	14,099.81	14,100
LOW/MOD HOUSING PROJECTS AND PROGRAMS	21 Keeler/Elliott Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation and Habitat for Humanity	Eight-unit affordable housing development being built in partnership with Habitat for Humanity of Greater Los Angeles, the Agency, and BHC under an Owner Participation Agreement dated 9-3-09. Agency Resolution No. R-2215, City Resolution No. 27,924.	Redevelopment Property Tax Trust Fund	93,246.70	93,246.70	93,247
LOW/MOD HOUSING PROJECTS AND PROGRAMS	22 BHC Developer Fee	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per the following Affordable Housing Agreements, provide long-term solution to assist BHC with increasing its capacity: 1) 2406 Naomi (dated 11-20-08, amended 10-2-09). Agency Resolution No. R-2207, City Resolution No. 27,812 2) 275 Verdugo (dated 1-9-09). Agency Resolution No. R-2210 3) 2615 Thornton (dated 10-2-09). Agency Resolution No. R-2221, City Resolution No. 27,986 4) 225 Linden (dated 8-20-10). Agency Resolution No. R-2234, City Resolution No. 28,182 5) 2234 Catalina (dated 12-9-10). Agency Resolution No. R-2240, City Resolution No. 28,242 6) 2223-2235 Catalina/New Catalina (dated 5-12-11). Agency Resolution No. R-2251 Part of Agency loan and deferred over a five-year period, tracked by staff, and disbursed annually to BHC.	Redevelopment Property Tax Trust Fund	850,643.50	434,760.00	176,880
LOW/MOD HOUSING PROJECTS AND PROGRAMS	22.1 Disbursement of Funds - Project Manager <sup>2</sup>	City Centre, and South San Fernando & West Olive	Authority as Successor Housing Agency Project Manager	Oversight of fund disbursement. Total of 5% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	7,420.95	7,420.95	4,947
LOW/MOD HOUSING PROJECTS AND PROGRAMS	22.2 Disbursement of Funds - Project Analyst <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Primary responsibility of Project Analyst at 10% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	8,684.80	8,684.80	5,790
LOW/MOD HOUSING PROJECTS AND PROGRAMS	23 Rent Subsidy Reserve (Transitional Housing Rent Subsidy)	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per the following Affordable Housing Agreements (AHA's) or Disposition and Development Agreements (DDA's) between the Agency and BHC, Rent Subsidy Funds were established to assist tenants of the properties with incomes below the threshold for Very Low Income Households: 1) 313 and 427 Valencia (DDA dated 2-21-06). Agency Resolution Nos. R-2142, R-2143. 2) 2406 Naomi (AHA dated 11-20-08, amended 10-2-09). See above item for resolution numbers. 3) 2615 Thornton (AHA dated 10-2-09). See above item for resolution numbers. 4) 225 Linden (AHA dated 8-20-10). See above item for resolution numbers.	Redevelopment Property Tax Trust Fund	320,508.00	12,000.00	6,000
LOW/MOD HOUSING PROJECTS AND PROGRAMS	23.1 Disbursement of Funds - Project Manager <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Authority as Successor Housing Agency Project Manager	Oversight of fund disbursement. Total of 0.5% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	742.10	742.10	371



**RECOGNIZED OBLIGATION PAYMENT SCHEDULE**  
**JULY 2012 - DECEMBER 2012**  
*Oversight Board and Department of Finance Approved*

Project Type	Project Name / Debt Obligation	Project Area	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation as of Jul. 1, 2012	Total Due During Fiscal Year 2012-2013 (Jul. 1, 2012 - Jun. 30, 2013)	Month <sup>1</sup> Total for Jul. 1 2012 to Dec. 31, 2012
LOW/MOD HOUSING PROJECTS AND PROGRAMS	23.2 Disbursement of Funds - Project Analyst <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Authority as Successor Housing Agency, Project Analyst	Primary responsibility of Project Analyst at 1% of FY 2012-2013 budgeted salary and benefits	Redevelopment Property Tax Trust Fund	868.48	868.48	434
LOW/MOD HOUSING PROJECTS AND PROGRAMS	24 BHC Annual Financial Review: Financial Consultant	Merged - Golden State, City Centre, and South San Fernando & West Olive	Keyser Marston Associates (KMA)	Expenditures for required monitoring obligations related to the activities of the Burbank Housing Corporation.	Redevelopment Property Tax Trust Fund	18,928.11	18,928.11	9,000
LOW/MOD HOUSING PROJECTS AND PROGRAMS	24.1 Auditing of BHC Organization and Oversight of KMA Consultant Contract <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Authority as Successor Housing Agency, Project Manager	Oversight of consultant contract and BHC operations. Total of 10% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	14,841.90	14,841.90	7,421
LOW/MOD HOUSING PROJECTS AND PROGRAMS	25.1 Project Manager <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Authority as Successor Housing Agency, Project Manager	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Oversight of monitoring efforts of project analyst. Total of 10% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	14,841.90	14,841.90	7,421
LOW/MOD HOUSING PROJECTS AND PROGRAMS	25.2 Housing Services Assistant <sup>2</sup>	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Authority as Successor Housing Agency, Housing Services Assistant	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Primary responsibility of Housing Services Assistant at 50% of FY 2012-2013 budgeted salary and benefits.	Redevelopment Property Tax Trust Fund	44,772.00	44,772.00	22,386
OTHER PROJECTS AND PROGRAMS	26 Downtown PBID Assessment	Merged - City Centre	Downtown Burbank Partnership Inc.	Cooperation Agreement with the Burbank Unified School District and the City of Burbank to pay the Annual assessment fee to LA County Assessor's office for properties owned in Downtown Burbank. Last payment to the Downtown Burbank Partnership in FY 2012-2013.	Redevelopment Property Tax Trust Fund	93,564.00	93,564.00	93,564
LOS ANGELES COUNTY TAX SHARING (STIPULATED JUDGEMENT)	27 West Olive Stipulated Judgment and Agreement with County of Los Angeles	West Olive	County of Los Angeles	FY 12-13 West Olive estimated stipulated judgment/agreement amount. Agreement obligates the West Olive project area to pay a portion of its tax increment to the County and LACCD. The stipulated judgment, dated 1-10-78, dismissed the action by the County to determine validity of the West Olive Redevelopment Project pursuant to an Agreement between parties involved dated 10-25-77.	Redevelopment Property Tax Trust Fund	4,192,295.00	4,192,295.00	-
LOS ANGELES COMMUNITY COLLEGE (STIPULATED JUDGEMENT)	28 West Olive Stipulated Judgment and Agreement with Los Angeles Community College District	West Olive	Los Angeles Community College District	FY 12-13 West Olive estimated stipulated judgment/agreement amount. Agreement obligates the West Olive project area to pay a portion of its tax increment to the County and LACCD. The stipulated judgment, dated 1/10/78, dismissed the action by the County to determine validity of the West Olive Redevelopment Project pursuant to an Agreement between parties involved dated 10-25-77.	Redevelopment Property Tax Trust Fund	258,124.00	258,124.00	-
COMMUNITY COLLEGE DISTRICT	29 Los Angeles Community College District vs. the County of Los Angeles, et al Case No. BS130308	Merged - South San Fernando	Community College District	Estimated Outstanding Pass Through Payments, pending litigation.	Redevelopment Property Tax Trust Fund	228,778.00	228,778.00	228,778
<b>Totals - Tax Allocation Bonds</b>						<b>\$288,622,010.16</b>	<b>\$ 16,538,543</b>	
<b>Totals - Redevelopment Agency Debt to City of Burbank</b>						<b>\$77,082,876.43</b>	<b>\$7,875.00</b>	
<b>Totals - Mall Project</b>						<b>\$11,396,412.00</b>	<b>\$1,424,551.50</b>	
<b>Totals - Project Obligations/Housing Projects and Programs</b>						<b>\$5,991,779.62</b>	<b>\$4,152,809.75</b>	
<b>Totals - Downtown PBID</b>						<b>\$93,564.00</b>	<b>\$93,564.00</b>	

RECOGNIZED OBLIGATION PAYMENT SCHEDULE  
JULY 2012 - DECEMBER 2012  
*Oversight Board and Department of Finance Approved*

Project Type	Project Name / Debt Obligation	Project Area	Payee	Description	Source of Payment	Total Outstanding Debt or Obligation as of Jul. 1, 2012	Total Due During Fiscal Year 2012-2013 (Jul. 1, 2012 - Jun. 30, 2013)	Month <sup>1</sup> Total for Jul. 1 2012 to Dec. 31, 2012
	Totals - Los Angeles County Tax Sharing (Stipulated Judgment)					\$4,192,295.00		\$0.00
	Totals - Los Angeles Community College (Stipulated Judgment)					\$258,124.00		\$0.00
	Totals - Pending Judgment/Lawsuit with Community College District					\$228,778.00		\$228,778.00
	<b>Grand Total - Recognized Obligation Payments</b>					<b>\$337,865,839.21</b>		<b>\$16,538,543.38</b>

<sup>1</sup> All payment amounts are estimates.

<sup>2</sup> FY 12-13 estimated amounts associated with carrying out projects. For projects with completion dates, amounts projected out one month after completion to account for project close-out functions.

**City of Burbank, California**  
**Successor Agency**  
**Agreed-Upon Procedures Engagement**  
**Pursuant to the Redevelopment Agency**  
**Assembly Bill 1484 of 2011 Due Diligence Review**

**Summary of Balances Available for Allocation to Affected Taxing Entities**  
**(in thousands)**

Total amount of assets held by the <i>successor agency</i> as of June 30, 2012 (procedure 5)	\$ 38,932
Add the amount of any assets transferred to the city or other parties for which an enforceable obligation with a third party requiring such transfer and obligating the use of the transferred assets did not exist (procedures 2 and 3)	89,719
Less assets legally restricted for uses specified by debt covenants, grants restrictions, or restrictions imposed by other governments (procedure 6)	(19,357)
Less assets that are not cash or cash equivalents (e.g., physical assets) - (procedure 7)	(91,791)
Less balances that are legally restricted for the funding of an enforceable obligation (net of projected annual revenues available to fund those obligations) - (procedure 8)	-
Less balances needed to satisfy ROPS II for the 2012-13 fiscal year (procedure 9 - page 28)	(16,539)
Less the amount of payments made on July 12, 2012 to the County Auditor-Controller as directed by the California Department of Finance	-
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 964</u>



**Successor Agency Oversight Board  
Resolution No. 7**

## RESOLUTION NO. 7

### A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK ACCEPTING AND APPROVING THE NON-HOUSING DUE DILIGENCE REVIEW .

#### THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK FINDS:

- A. The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of Burbank ("Oversight Board") has been established to direct the Successor Agency to the Redevelopment Agency of the City of Burbank ("Successor Agency") to take certain actions to wind down the affairs of the former Redevelopment Agency of the City of Burbank ("Agency") in accordance with the requirements of Assembly Bill 26 ("AB1X 26"), also known as Chapter 5, Statutes 2011, First Extraordinary Session, which added Part 1.8 and Part 1.85 of Division 24 of the California Health and Safety Code, and Assembly Bill 1484, also known as Chapter 26, Statutes of 2012, which made certain revisions to the statutes added by AB1X 26.
- B. Health and Safety Code Section 34179.5 requires the Successor Agency to employ a licensed accountant to conduct a due diligence review ("DDR") to determine the unobligated balances available for transfer to the taxing entities.
- C. Health and Safety Code Section 34179.6 requires that the DDR be submitted to the Oversight Board for review.
- D. Health and Safety Code Section 34179.6(a) requires that the Successor Agency provide the Non-Housing DDR to the Oversight Board, Los Angeles County Auditor-Controller, California State Controller, and the California Department of Finance by December 15, 2012 .
- E. The Oversight Board convened a public comment session on January 7, 2013, which was at least five business days before the scheduled approval vote on the DDR on January 14, 2013 per Health and Safety Code Section 34179.6(b).
- F. Health and Safety Code Section 34179.6(c) requires that the Oversight Board review, approve and transmit the Non-Housing DDR and the determination of the amount of cash and cash equivalents that are available for disbursement to the taxing entities for the Low and Moderate Income Housing Fund to the California

Department of Finance and Los Angeles County Auditor-Controller by January 15, 2013.

G. The Successor Agency has engaged Simpson and Simpson, Certified Public Accountants ("Simpson"), to perform the DDR, with the approval of the Los Angeles County Auditor-Controller, and Simpson has completed the DDR of the Non-Housing Funds which is attached hereto as Exhibit "A" and incorporated by reference.

THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF BURBANK RESOLVES:

1. The above Recitals are true and correct.
2. The Non-Housing Due Diligence Review, in the form submitted to it by the Successor Agency and attached hereto as Exhibit "A" and incorporated by reference, together with such amendments or changes therein (if any) as this Oversight Board may determine necessary and appropriate, is approved.
3. The Implementing Official of the Successor Agency is authorized and directed to submit copies of this Resolution and the approved Non-Housing DDR on behalf of this Oversight Board and the Successor Agency to DOF and the County Auditor-Controller and the State Controller's Office by the statutory deadline of January 15, 2013, following adoption of this Resolution.
4. This Oversight Board finds that the Non-Housing DDR has determined the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5.
5. The Implementing Official of the Successor Agency Director is hereby authorized and directed for and on behalf of this Oversight Board to take any and all actions and execute and deliver any and all documents and instruments which he may deem necessary and advisable to effectuate the purposes of this Resolution and in compliance in all respects with the requirements of the Dissolution Act, as amended by AB 1484.

PASSED and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2013.

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Christine Statton  
Chair of the Oversight Board of the  
Successor Agency to the Redevelopment  
Agency of the City of Burbank



THE FOREGOING RESOLUTION IS APPROVED AND ADOPTED BY THE  
OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT  
AGENCY OF THE CITY OF BURBANK THIS 14TH DAY OF JANUARY, 2013, BY  
THE FOLLOWING ROLL CALL VOTE:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Secretary of Successor Agency to the  
Redevelopment Agency of the City of Burbank